**FSA online HEOA Town Hall Meeting**
**Event ID: 142565**

Jamie Malone: Good afternoon. Welcome to Federal Student Aid's live Internet Town Hall Meeting on the Title IV program provisions of the Higher Education Opportunity Act, or HEOA. Thank you for joining us today.

My name is Jamie Malone, and I'm a Training Officer in the Department's Chicago Regional Office. My co-presenters today are two of my Training Officer colleagues, Greg Martin, from our Philadelphia Regional Office, and Linda Burkhardt, from our Seattle Regional Office. Also with us today is Jeff Baker, Federal Student Aid's Director of Policy. Jeff, feel free to jump in at any time.

FSA began our HEOA training in February of this year with two webinars. One discussed the grant programs, federal work study, need analysis and general provisions, and the second discussed the HEA Title I provisions and the Title IV student loan programs. Our next set of webinars narrowed the scope just a bit. We are currently presenting two webinars, one focused on the grant programs and the other on the loan programs.

It goes without saying that the HEOA made many changes to our Title IV aid programs. Many of you have been asking us for guidance, some of you by sending questions to our email addresses, and others have been submitting questions during our webinars. In an effort to spread the word, we thought that we should share some of those questions and hopefully the answers.

I know that it is often helpful to hear questions that others are asking. We want to thank those of you who submitted questions for today's Town Hall Meeting. The questions touched on many topics in reauthorization, but Pell was the most popular. In our slide presentation today, you will see only the questions. We did some paraphrasing and some summarizing but we tried to leave the details as they were asked. We've got some short questions and some long questions.

Because we have so many questions and answers to share with you today, we are not able to take more questions during this session. We hope that this session will touch on something for everyone. If you still have questions, don't forget that we are presenting both our grant and loan sessions two more times in early June, and, of course, you can keep those emails coming.

As you may know, the Department has just completed the first part of the negotiated rulemaking process to develop regulations to implement many of the HEOA provisions. Those will result in notices of proposed rulemaking that will be issued this Summer, with final rules published on or before November 1, 2009. Unfortunately, some of your questions cannot be answered until then.

Across the bottom of your screen you should see buttons for enlarging and downloading the slides. A handout of the slides is available by clicking on the download button.

So let's get started. I'll begin with questions about Pell Grant. It was the program that we all thought was the easiest. Maybe not now.

Next slide, please. Okay, this first question wins the award for the most popular question that we've received, I think, since we had reauthorization, and this has to do with Pell and Summer 2009. If a school treats Summer as a trailer for Summer 2009, is the school required to award Pell out of 2009-2010 funds?

If the schools treat Summer as a trailer, that means that Summer is paid from the award year that is ending. For Summer 2009, the 2008-2009 year is the award year that is ending. If you are continuing with your trailer policy, then you would use 2008-2009 funds to pay Summer 2009. However, you may change your policy for this Summer. You can treat it as a header or trailer or decide on an individual student basis. But essentially Summer 2009 is business as usual.

The next slide we have a question about whether or not it is required that a school implement year-round Pell Grant in 2009-2010 or whether it's optional in the first year, with required implementation by 2010-2011. That is on the next slide.

And we just want to make sure you understand, Pell is not optional. If your school is participating in the Pell Grant program, then you must pay any Pell-eligible student in 2009-2010. This is just like in any other award year. Remember that paying Pell from 2009-2010 does not mean that you are paying year-round Pell. Year-round Pell is the phrase used to describe the HEOA provision that allows a student to receive up to two Scheduled Awards within one award year. 2009-2010 is the first year that the law allows a student to receive two Scheduled Awards within one award year.

Next question, with year-round Pell we understand that the first payment period must include July 1, 2009 or begin after July 1, 2009. Must it be the first payment period of an academic year that crosses over July 1, 2009, or can it be the second payment period of an academic year?

Because '09-'10 award year begins on July 1, 2009, a payment period must include July 1, 2009 or begin after July 1 in order to pay 2009-2010 Pell funds. This is not a change from prior award years. A payment period that crosses over July 1, 2009 is a crossover period and may be paid with either 2008-2009 or 2009-2010 funds. Where a crossover payment period falls within your academic year is a function of the calendar, and there is no rule related to this.

Okay, the next one says please address year-round Pell Grant at a quarter term, Formula 3 school. And then the individual asks, is it possible to make Pell awards in the Summer 2009 since some of our classes continue past July 1, 2009 and others begin after July 1, 2009? Further, if a student is enrolled in multiple courses in the Summer 2009 term and one course concludes before July 1, 2009, one begins after July 1, 2009 and a third spans the entire Summer quarter and concludes past July 1, 2009, is that student eligible for Pell based on all three courses?

A school with quarters using Formula 3 will continue to calculate Pell the same way as they have in the past. Year-round Pell does not change that. It's just that a full-time student will be able to receive Pell for more than three quarters within the same award year.

This question really deals more with crossover payment periods. Nothing has changed with respect to crossover payment periods. Even without year-round Pell, the school would still be able to disburse 2009-'10 Pell in this Summer term. That's because this Summer '09 term crosses over the 2008-2009 and the 2009-2010 award years. When a term crosses over, Pell may be paid from either award year, assuming the student is eligible. It does not matter that some of the student's classes actually begin after July 1. The student can be paid for all of the courses.

Because for 2008-2009 a student can only receive one Scheduled Award, it may be that he or she has exhausted her Pell eligibility for that year, so then the school is left with the option of paying from 2009-2010, assuming the student is eligible. This would not be the case next Summer, because a student could receive up to 200 percent of his or her Pell Grant Scheduled Award.

Our liberal studies program is a trimester program with Summer as the header. If we award Pell from the first Scheduled Award in Summer 2009 and Fall 2009 at less than full time and the student still has eligibility from the first Scheduled Award, do we have to use the AEI for the Spring 2010 term although we have not used 100 percent of the first Scheduled Award?

If a student's award does not exceed 100 percent of the Scheduled Award, you do not need to mark the Additional Eligibility Indicator as true. The Additional Eligibility Indicator, or AEI, is marked as true in COD to denote that the school is paying a portion of a student's second Scheduled Award. The AEI must be marked as true to pay even $1.00 of the second Scheduled Award.

In this example, the student enrolls at less than full time in two trimesters. If the student was half time in both Summer 2009 and Fall 2009, he could enroll at full time in Spring 2010 and not exceed the first Scheduled Award. But if the student was three-quarter time in either Summer or Fall, the Spring 2010 enrollment may require that the school award a portion of the second Scheduled Award.

Please clarify how Summer Pell will work in this example. If we award a Summer or July student based on the 2009-2010 ISIR's EFC, then is this really year-round Pell? Or is it just a decision to have that Summer mini-term be a header for 2009-2010? Because in this case the student has not had 100 percent of their 2009-2010 Scheduled Award yet, so maybe the half time requirement is not yet applicable.

Paying Pell from 2009-2010 does not mean that you are paying year-round Pell. Year-round Pell is just the phrase that we use to describe the HEO provision that allows a student to receive up to two Scheduled Awards within the award year. Because the law allows year-round Pell beginning with the 2009-2010 award year, many are using the phrase "year-round Pell" to mean disbursement of 2009-2010 funds, and that's not really correct. A student may receive 2009-2010 Pell funds but not receive more than one Scheduled Award.

So just because you are awarding 2009-2010 Pell in the Summer does not mean that that student will receive year-round Pell. But because you are paying 2009-2010 Pell, the student does have the possibility. Remember that receipt of year-round Pell is dependent upon the student's enrollment status and the number of terms in which the student enrolls during the award year.

Remember that you're going to calculate the first Scheduled Award like you always have. Award and disburse as you normally would. Once you get to the second Scheduled Award, you're using that same award year's ISIR, but that's when it becomes restricted to students who are enrolled at least half time.

This financial aid administrator says Summer was always a header for our school. Can we use Summer as a header and trailer so that we can award the year-round Pell at 200 percent? And then they give an example. Summer '09 and Fall '09 is the first Scheduled Award and Spring 2010 and Summer 2010 are the second Scheduled Award. Then the following year we would use Summer as a trailer, Fall 2010, Spring 2011 and Summer 2011 as the trailer.

Yes, it is possible for Summer 2009 to be a header and Summer 2010 to be a trailer, both to 2009-2010. In the example, the student is going full time in Summer 2009 and Fall 2009 and receiving one Scheduled Award. He then goes full time in Spring 2010 and Summer 2010 and receives his second Scheduled Award. That is 200 percent, both from the 2009-2010 award year. The issue of 2010-'11 will be addressed in the Pell Grant regulations in the negotiated rulemaking session, so at this time we cannot provide guidance on that.

I do not understand if the year-round Pell may be awarded for Summer 2009 if the school combines multiple mini-sessions into one Summer term. For example, we have a May Intersession, a Summer 1, a Summer II and a 10-week session. The combined Summer term crosses July 1, but some of the mini-sessions do not cross July 1.

The question is not really whether you pay year-round Pell in Summer 2009. Again, year-round Pell is simply a phrase that means that a student may receive two scheduled Pell Grant awards in one year. The question is, do you have a crossover payment period? If your Summer 2009 term is a crossover, that means that it includes June 30 and July 1, and you can pay Pell from either the 2008-2009 year or the 2009-2010 year.

In this example, the school is combining its multiple summer sessions into one term for aid purposes. The combined term begins in May, and it ends after July 1. So this Summer term is a crossover term. The school has a choice to use either year. So, yes, the school can use 2009-2010 Pell in this summer term.

When you combine mini-sessions or modules into one term, remember that we are not looking at the actual dates of each session. Each session's dates may or may not cross over into the new award year, but the combination of all of the sessions is a crossover term. The combined term begins on the first day of the first session and ends on the last day of the last session.

Year-round Pell and MRRs. Remember, an MRR stands for a Multiple Reporting Record.

With year-round Pell, how will MRRs be handled?

Well, the MRR process will remain in place. However, COD will exclude the students with an Additional Eligibility Indicator set to true from the POP process. POP is the Potential Overaward. Remember that for POP we are making sure that the students did not receive 100

percent of the Scheduled Award. With the AEI set to true, we know that that student will exceed 100 percent. All Pell students will still be checked for concurrent enrollment, and we will send out an MRR when two schools submit the same student with enrollment dates that are within 30 days of each other.

The next question has to do with explaining this to your students. What do you suggest as the best, most simplified way to explain to students that they must be at least half time in order to use the second 100 percent of their Pell?

We have no prescribed way to do this or specific disclosure requirements for year-round Pell. Under the consumer information requirements, schools do provide basic information about the aid that is available. It is appropriate to mention the enrollment status requirements for year-round Pell. I think that simplified and basic are probably two good words to describe how you want to explain it to your students.

On this next slide we have an example. It's a multiple-choice question, actually. A student attends half time in Summer and receives 25 percent of the scheduled Pell award, and the student attends full time in Fall and receives 50 percent of the scheduled Pell award. If the student attends full time in the Spring, does he receive (a) only 25 percent that is left over from the first scheduled 100 percent Pell award; (b) 50 percent of his second scheduled Pell award for Spring; or (c) 25 percent that remains of the first Scheduled Award and 25 percent of the second Scheduled Award, for a total of 50 percent?

And the answer is (c). The student has received 150 percent of his Scheduled Award in Summer, Fall and Spring. Year-round Pell allows the student to receive 200 percent of his Scheduled Award, so this student has 25 percent remaining. If he attends in the summer crossover term and is enrolled at least half time, he will receive that 25 percent. 25 percent is the amount that would be paid to a half-time student, but because this student has only 25 percent remaining, that's all that can be paid, whether he is half time, three-quarter time or full time. He is at 200 percent. If he attends less than half time in that Summer term, he cannot receive any Pell, because now he is in his Scheduled Award. Half-time enrollment is required for any portion of the second Scheduled Award.
Corrected answer: If the student attends full time in Spring, he is eligible for 50% of his scheduled award. He has already received 75%, between Summer and Fall. The school would pay the remaining 25% of the first scheduled award and then 25% of the second scheduled award. The student will have received 125% of the scheduled award.

A student only receives 25 percent of the first Scheduled Award for full-time attendance in Spring 2010 and then enrolls at least half time in Summer 2010. Does the student retroactively receive an additional 25 percent for Spring full-time attendance and Pell for half-time Summer attendance?

Full-time attendance at a semester school would allow the student to receive 50 percent of the Scheduled Award in one semester. In this example, the student only received 25 percent of the Scheduled Award. Assuming that the student was eligible for a full-time payment, it is unclear as to why the school paid less. If the school made an error, it may go back and correct the

disbursement. In the Summer 2010, the student should be paid at his Summer enrollment status. His enrollment status in Summer has no effect on what he received in the previous Spring term.

Our next aid administrator gave us two examples for transfer students, and wants to know how does year-round Pell affect transfer students? Example 1: Student used 100 percent of the 2009-2010 Scheduled Award at ABC College during the Summer and Fall payment periods. Student then transfers to XYZ University. Is the student still eligible for the remaining second 100 percent at XYZ University, as long as she is enrolled at least half-time?

Pell awards for transfer students are determined using percentage of Scheduled Award. With year-round Pell, a student may receive up to 200 percent of the Scheduled Award in an award year. Your student has earned 100 percent of his Scheduled Award at ABC College before coming to XYZ University, so he has 100 percent of his Scheduled Award remaining in 2009-2010 at XYZ. The student must be enrolled at least half time in XYZ in order to receive any part of that second Scheduled Award.

The second example says that the student used 60 percent of their 2009-2010 Scheduled Award at ABC College during the Summer and Fall payment periods. The student then transfers to XYZ University. Does the student have a total of 140 percent eligibility remaining at XYZ University as long as she is enrolled at least half time during the last 100 percent?

And the answer is yes. If the student received 60 percent of his Scheduled Award for '09-'10 at ABC College, he does have 140 percent of his Scheduled Award remaining in the award year at XYZ University.

Can you address what constitutes eligibility for the additional Summer Pell disbursement?

Year-round Pell allows for a student to receive up to 200 percent of his or her scheduled Pell Grant award for 2009-2010. Assume a student attends Fall and Spring, receives 100 percent of the first Scheduled Award. The student now enrolls for Summer 2010, which crosses over '09-'10 and '10-'11 award years. Even though the student has received 100 percent of his or her first Scheduled Award for 2009-2010, he or she may receive a disbursement for summer from that award year.

Because the student is receiving funds from the second Scheduled Award, he or she must be enrolled at least half time in that Summer term. Remember that for '08-'09 Pell recipients were limited to one Scheduled Award, and the student who received 100 percent of the '08-'09 in Fall or Spring had exhausted Pell eligibility, and then only if the Summer term crossed over could the student be paid from the next award year.

At this point I'm going to turn it over to Greg to pick up with our next slide.

Greg Martin: Thank you, Jamie, and, again, let me add my welcome to our Town Hall Meeting.

It is our understanding that in order to receive the second 100 percent of Pell in an award year, a student's enrollment for that semester or term must be, quote, "advancing" the student's grade level, for example, freshman to sophomore, etc. Is this correct?

No, the student must simply have used 100 percent of his Scheduled Award and be attending at least one-half time to receive funds from the second Scheduled Award. There are some discussions in negotiated rulemaking regarding having to complete an academic year. However, that would not be the case for '09-'10. Any rules that would come about as a result of negotiated rulemaking would go into effect beginning with '10-'11.

Continuing with Pell Grant, regarding year-round Pell, initially we had heard that this was for students in an accelerated program. The last training I attended I did not hear that. Is it for any Pell-eligible student who attends year round, not just for those on an accelerated path?

While it is true that year-round Pell is intended to help students accelerate their matriculation, it is not limited to those students who are enrolled in programs designated as accelerated programs by an institution. The student need not be in an accelerated program to attend on a year-round basis. For example, a student enrolled in a standard baccalaureate program may choose to take courses during summer terms, thus making him or her potentially eligible for year-round Pell Grants.

We are using Summer 2009 as a header and have awarded Pell for some students, but are unable to award ACG or SMART to part-time students. When will the regulations be issued to allow for this? What about the year-round Pell regulations?

The law already allows for the awarding of ACG SMART Grant to students who are enrolled half time, three-quarter time and full time. The interim final regulations were issued on May 1, 2009. Regulations related to year-round Pell are part of the current negotiated rulemaking process. Proposed rules will be issued this summer, and final regulations will be issued November 1, 2009.

Jeff Baker: Greg?

Greg Martin: Yes, Jeff.

Jeff Baker: Excuse me. This is Jeff. Let me just jump in there just a second here. I want to emphasize what Greg said. The Higher Education Opportunity Act changed the requirements for ACG and National SMART Grant. Among other things, the one that's a tough question, that a less than full-time student, if they're at least half time, can get an ACG -- an otherwise eligible student can get an ACG or National SMART Grant beginning with the '09-'10 award year.

For the Summer, in the question that I think Greg read, the school treats the Summer as a header. That makes it part of the '09-'10 award year. So not only can the student get Pell Grant, but they can also get -- the half time, three-quarter time student can get an ACG or National SMART, because the new requirement that they don't have to be full time kicked in with the '09-'10 award year.

Greg Martin: Thanks, Jeff.

Okay, we'll continue with Pell Grant. Next question states, we have an adult population that can attend three semesters. If a student is full time for two of those semesters and uses the Pell in both terms, is that student eligible for a third semester of Pell? Will the amount be based on the current Pell so that the amount is the same as the other semesters of full-time Pell?

If all three semesters fall in the same award year, the student may receive Pell in all three semesters. Given full-time enrollment in each semester, the student will receive 150 percent of his Scheduled Award. A quick example would be the student with a zero EFC in 2009-'10 would receive $2,675 in each of the first two terms. The student could receive another $2,675 if enrolled full time in the third term.

Next we'll look at maximum duration of Pell Grant eligibility. The HEOA limits Pell eligibility to 18 semesters, starting with first-time Pell recipients in the 2008-2009 award year or after. Can you explain how this will work for students enrolled at a less than full-time -- on a less than full-time basis?

Because 18 semesters is typically nine years, a student will be eligible for the equivalent of nine years of full-time awards, or nine Scheduled Awards. We will not be looking at the number of terms or years the student attends. We will be looking at dollars received.

A student at a semester school that attends full time for one semester would receive 50 percent of a Scheduled Award. A student at that same school who is enrolled half time for one semester would receive 25 percent of the Scheduled Award. COD will total the percentages -- 50 plus 25 means the student has received 75 percent of the Scheduled Awards. Nine scheduled awards would be 900 percent, so this student has 900 percent minus 75, or 825 percent of his eligibility remaining.

At a quarter school, a full-time student would receive 33 percent of the Scheduled Award in one quarter. The half-time student would receive 16.6 percent of a Scheduled Award in one quarter. Again, COD will total the percentages, and the maximum eligibility is 900 percent.

Will there be any changes to the satisfactory academic progress requirements because of the new 18 semester limitation?

The HEOA's 18-semester limitation on receipt of Pell Grant does not change the existing satisfactory academic progress provisions in the law and regulations. Satisfactory academic progress is a student eligibility criterion. A student must be an eligible student to receive Pell Grant. The new 18-semester limitation is a program limitation placed upon an eligible student. All Pell recipients must meet the school's satisfactory academic progress standards. Assuming a student meets those, he or she may receive Pell until the earlier of the equivalent of 18 semesters or the receipt of a bachelor's degree.

Pell ineligibility for sexual offenses -- are schools required to ask all incoming students if they are in civil confinement, or would the school only be made aware of the civil confinement status if the student offers the information?

This question refers to the HEOA provision that provides that a student who is subject to an involuntary civil commitment after completing a period of incarceration for a forcible or non-forcible sexual offense is ineligible to receive a Pell Grant. There is no database match for this, and Title IV schools do not have to check for this situation unless they have reason to believe that a student may fall into this category. This includes both residential and online schools.

We finally get to depart from Pell and move on to ACG/SMART. I read recently that ACG/SMART programs would be allowed to expire after 2010. Do you have any additional information on that? Would students currently in those programs be allowed to continue on?

The ACG and National SMART Grant programs were authorized for five years. The 2010-2011 award year will be the last year for these programs. Students receiving funds in that year will not be grandfathered for future years.

Pertaining to rigorous coursework, will AP, IB and the Secretary's list of coursework still be considered rigorous coursework for ACG as of July 1, 2009?

The answer to this is yes. AP, IB and the Secretary's list of coursework are still options for meeting the rigorous coursework requirement for ACG eligibility. As always, schools should rely on the ED website that shows rigorous program listings for each state.

ACG and AP/IB credits; ACG eligibility -- during the grants webinar, you said that a student who enters school with AP or IB or dual enrollment credits may not have ACG eligibility. Please explain this.

The law and regulations require that a student have a grade point average of at least 3.0 to receive a second-year ACG. A student who has earned enough credits from advanced placement or international baccalaureate to enter school as a second-year student does not have a grade point average, and therefore the student is not eligible for ACG. The student is beyond the first year and does not have a grade point average for the second-year ACG.

Dual enrollment credits do not have grades. For the student entering as a sophomore, you should calculate a grade point average from those dual enrollment courses. I should, rather, point out that dual enrollment credits do have grades. For those students entering as a sophomore, you should calculate a grade point average from those dual enrollment courses. Sorry for that.

Moving on to grade level and ACG, if an institution defines grade levels with minimum full-time requirements -- 24 credits for sophomore, 48 for junior, etc. -- does an academic program with more than 96 credits have fifth-year SMART Grant eligibility for students? Is this an issue at all? What happens when a student accelerates and then has three terms as a senior? Can we pay SMART for three terms as a senior, even if the program will be completed in three or four years?

The fifth-year SMART Grant eligibility is only for students in SMART Grant-eligible programs that require a full five years of undergraduate study and are so certified and documented by the institution. The May 1, 2009 regulation defines "year" as grade level in the student's eligible program, as determined by the institutions for all students in that eligible program. If an institution defines grade level as 24 credits, then a program of study that requires 120 or more credits, five times 24, would be a five-year program of study. The annual award for each year of SMART Grant eligibility is $4,000. The length of time that a student takes to complete a grade level does not change that.

An eligible student may receive up to one Scheduled Award during the third year, one during the fourth year, and, if applicable, one during the fifth year. If a student accelerates and is a junior for only one term, that student may receive only one term's disbursement of SMART Grant. That student would not receive the full $4,000 for that year. A student in a four-year program may receive fourth-year SMART until the completion of the undergraduate degree or receipt of $4,000, whichever comes first. A student in a five-year program may receive fifth-year SMART until completion of the undergraduate degree or receipt of $4,000, whichever comes first.

Hold on just one second. My screen saver went blank. Thank you very much. Sorry for that inconvenience.

Okay, ACG for certificate programs -- from a community college perspective, we will now have our certificate programs eligible for ACG. If the program they are in is a one-year program, but they already have more than 30 hours -- our first year limit -- will they be eligible for ACG assuming all other eligibility criteria are met?

Certificate programs that are at least one year in length are ACG eligible if offered at a degree-granting school, so that means that community colleges will have certificate programs that are ACG eligible. First year ACG is for students that are first-year students, or freshmen, at your school. If 30 credits is a second-year student, or sophomore, at your school, then the student is no longer eligible for the first-year ACG but may be eligible for second-year ACG, as stated in the question, if all other eligibility criteria is met.

Okay, let's talk about TEACH Grants. Students want to know when the TEACH Grant program will expire. If we are starting the program in 2009-2010, will funds be available for students throughout their four years in school?

The TEACH Grant program is an established Title IV program and is not expected to end.

Does a student need to complete counseling and the ATS for each new TEACH Scheduled Award, or only once each award year? For example, a student completes counseling and an ATS, attends full time in the Fall of 2009 and Spring of 2010, and receives $4,000. In Summer 2010, we disburse $1,500. Because this is a new Scheduled Award, must the student sign a new ATS and again complete counseling?

A new TEACH Grant Agreement to Serve, or ATS, is required for each award year in which a disbursement is made. In your example, the student signed an ATS for 2009-'10, Fall '09 and

Spring of 2010, receiving $4,000. That is one Scheduled Award. A student may receive more than one Scheduled Award in an award year. COD will look for another ATS if you submit the Summer 2010 disbursement as a 2010-'11 disbursement. If you submit it as an '09-'10 disbursement, no ATS or counseling will be required.

Continuing with TEACH, are there instructions for Summer TEACH Grant reporting if the student already received a TEACH Grant during the 2008-'09 academic year? And how is it reported if the student receives the TEACH Grant as an undergraduate for one term and then as a graduate student for the next term?

If the student has received a full $4,000 Scheduled Award, you must submit a new origination record to COD showing the next new award. "As for moving from undergraduate to college -- undergrad to college grade level on the undergraduate award, once it's been disbursed, make certain the new college grade level is reflected as a graduate student." That affects the edit for aggregate amount. And, when the student advances to the next award year, he or she will have to sign another ATS.
Note for quotation: Corrected answer is that when the student progresses from undergraduate to graduate, the grade level on the record must be changed.

Okay, we're going to continue with the miscellaneous and general provisions discussion, and for that I'm going to turn you over to Linda Burkhardt.

Linda Burkhardt: Hello, everybody. I just want to say, it's just an absolutely gorgeous day in Seattle, and we do get them once in a while, and I hope it's as nice where you are.

So we're going to start this section by answering questions on professional judgment. First, remember that professional judgment is just that. It is your judgment as an aid professional. We cannot require that you make professional judgment adjustments. But we do hope that in this current economic environment you will review situations that are presented to you.

So here's a question. Can you provide guidance on how to implement Dear Colleague Letter GEN-09-05 about professional judgment? How do we handle cases where job loss occurred in 2009 and income includes unemployment and work earnings?

Well, the Department issued Dear Colleague Letter GEN-09-05 to address those independent students who need job retraining in order to obtain employment and need funding to pay for that training. We wanted you to know that the Department of Labor has been working with states to send letters to all recipients of unemployment insurance benefits to encourage them to enroll in postsecondary education and to apply for financial aid. The guidance in the Dear Colleague Letter gives examples of what FAAs may do to assist these students.

You can adjust income earned from work and unemployment benefits to zero for this student. You may also use the letter from the state unemployment agency as documentation of the student's special circumstances. We've determined that that letter is generally valid for about 90 days from issuance, unless you know that the student has gotten a job. Or you may use other

evidence that the student is receiving unemployment benefits. So it's not just limited to that letter from the unemployment agency.

For other family members who are unemployed, like parents or spouses, you should consider the totality of the family's circumstances and make any appropriate adjustments based on that situation. To alleviate concerns that a school might have about excessive use of professional judgment, the Department will make appropriate adjustments to its risk-based model that is used to select institutions for program reviews, and this we will do in recognition of the increased use of professional judgment in the current economic environment.

Now, another question about professional judgment addresses the provision in the HEOA that requires the Department to include a disclosure about professional judgment on each SAR. It is to include an explanation of how a student's individual circumstances may warrant an aid administrator's adjustment to the data items on the FAFSA. So here's the question. The HEOA requires ED to include a PJ disclosure on SAR's. Must the school consider the student for PJ if he has a special circumstance? And may the school refuse to do PJ as a matter of policy, or in a particular case?

Now, as I said on the previous slide, professional judgment adjustments are done at the discretion of the aid administrator. We do not require you to make professional judgment adjustments. And a school may have a policy that does not allow for professional judgment adjustments. But we truly would hope that schools will look at situations with mitigating circumstances and just not dismiss them as a matter of policy.

We received many questions about the new dependency questions on the 2009-'10 FAFSA. And one of the questions is, are institutions required to verify the answers to the dependency questions 48 through 60 on the FAFSA?

Well, the law and the regulations do not require that a school verify or document a student's answers to any of the dependency status questions on the FAFSA, either the previous ones that we all know, or the new ones that were added this year. If you choose to require documentation when a student answers yes to any of these questions, you may do so. Many of you already do request such documentation.

Now, the FAFSA instructions for the new questions notify the student that he or she may be asked to submit documentation to the financial aid office. Because there is no requirement that documentation be collected, we're not going to issue any guidance on what is considered acceptable documentation in these circumstances.

Okay, we've received a number of questions about students changing answers to the dependency questions, specifically as it relates to the unaccompanied and homeless youth and legal guardianship status. So what action should the school take if a student is making a correction or an update to the FAFSA dependency questions 48 through 60? Is this considered conflicting information?

Well, if you have reason to believe that the student has answered any of the dependency questions incorrectly, or you have concern about why a change was made, you may certainly require additional documentation from that student. Let's remember, too, that we have two potential reasons for a change. A student could correct an answer on a FAFSA dependency question when the first answer was incorrect at the time the FAFSA was completed, and it may simply be that the student didn't understand the question to begin with. The second situation is updating. Updating an answer is required by regulation if a student's dependency status changes during the award year for any reason except a change in the student's marital status. If you know the change, you must update the information.

As we said, you are not required to document a student's answers to the dependency questions. You may accept the answer provided by the student and process without documentation. The choice is yours. And just the fact that an answer changed on the FAFSA does not mean it is conflicting information.

Okay, we also received some questions about students being independent because they are unaccompanied and homeless or unaccompanied and at risk of being homeless. These are the new questions 58, 59 and 60 on the FAFSA. This question is representative of what we received. What about students who answer no to questions 58, 59 and 60, but who tell the aid administrator that they think they are a homeless unaccompanied youth, or an unaccompanied youth providing for their own living expenses and at risk of being homeless?

Now, if the student has documentation referenced in the question from the high school district, the director of an emergency shelter, or the director of a Homeless Youth Basic Center, the student should answer yes to the appropriate question. Students who believe they are in such a situation, but have not received a determination by a third party are directed by the FAFSA to contact the financial aid office.

The HEOA gives you, the financial aid administrator, the authority to make a determination that the student is an unaccompanied and homeless youth, and there is no prescribed documentation for you to review the student's living arrangements. That will be left to your best judgment. Although this is really not a dependency override, you must process it as one, because the '09-'10 FAFSA does not have the appropriate question for the FAA determination of the student's status.

Now, "youth" is defined in the McKinney-Vento Act as under age 21. Despite this, if you have a student between the ages of 21 and 24, you may exercise professional judgment authority to do a dependency override based upon the student's special circumstances, as you would normally do. For more information on this topic, you can review the current AVG. This is the 2009-'10 version of the Application and Verification Guide. It is on IFAP right now, and it begins -- that particular discussion begins on Page 28 of the AVG.

Okay, moving on to qualified education benefits, and this question asks for guidance. How should the financial aid administrators treat qualified education benefits such as 529 plans and Coverdell accounts, and are they included as financial assistance when determining a student's unmet need?

For 2009-'10, qualified education benefits, including the 529 plans and prepaid tuition plans and Coverdell savings accounts, are considered assets on the FAFSA. They are not included as estimated financial assistance. They should be reported as an asset of the dependent student's parents if the parent or the dependent student is the owner of the account or the plan. They should be reported as an asset of the independent student if the student or spouse owns the account or plan. And the distributions from these plans are not assets or estimated financial assistance. And, again, there's more information in the 2009-'10 Application and Verification Guide, starting on Page 18.

Regarding the dislocated worker question on the FAFSA, we were asked a two-part question. Does this apply to a self-employed person who is experiencing a reduction in income as a result of a natural disaster or general economic conditions? And when is a self-employed person considered unemployed?

To be a dislocated worker, an individual must be unemployed or have received a layoff notice. A self-employed person can also qualify if they are now unemployed due to economic conditions or natural disaster. A self-employed person would not be considered unemployed if the business is still operating. Now, if the business failed and as a result of that failure the individual is unemployed and unlikely to return to that profession, then the individual could be considered a dislocated worker. In this case, with the appropriate income, assets would be excluded in the calculation of the EFC for this person.

Now, regarding the underemployed condition for a displaced homemaker, does this underemployed condition apply only to the displaced homemaker, or does anyone who meets this condition qualify as a dislocated worker? And, does this apply if Mom is unable to find work or is underemployed, but the spouse is still working and supporting the family?

The underemployed condition only applies to the displaced homemaker definition. One of the criteria for displaced homemaker is that the person is no longer supported by the husband or the wife. The examples that accompany these questions included situations in which one parent in a two-parent household has had no change in employment. The other spouse was either unemployed or working part time. In both of the examples that were provided, the husband continues to work and support the family. For this reason, the wife in both examples does not meet the definition of a displaced homemaker.

Okay, another question was how far back do we have to go to determine if a parent is a displaced homemaker? And here was a situation. If the husband passed away in 2007 and the wife is currently working in a position making $20,000, and she has a real estate asset of $300,000, can she still qualify as a displaced homemaker so that the assets are excluded in the EFC determination?

Well, there is no time frame tied to when an individual can claim to be a dislocated worker due to status as a displaced homemaker. If she is still underemployed, which a salary of $20,000 would lead one to believe, she may claim that status, and, because the income is low enough in the Simplified Needs Tests threshold, assets will not be included in the EFC calculation.

Now, this next question relates to VA educational benefits. The 2009-'10 FAFSA does not ask for the amount of VA educational benefits. ED has said that schools should ask the student or the VA rep on campus. Would it be okay to use the charts on the VA website?

Well, remember that the school is responsible to use the most accurate estimate of a student's veteran's educational benefits, as it is for all estimated financial assistance. And we do believe that the VA certifying official on your campus will have the most correct information. Remember that you are always responsible for information contained in other offices that impacts the student's eligibility. If the veterans' office on your campus has a different figure than on the VA benefits website, it is expected that the financial aid office will be aware of it and take it into consideration in the student's eligibility.

Okay, continuing with veterans' educational benefits, please clarify the HEOA provisions regarding VA educational benefits. Do we count 100 percent tuition and fees payable directly to the school under Chapter 33? And if this funding is not counted as a resource, should the tuition and fees be removed from the cost of attendance?

Well, beginning with the 2010-'11 award year, the law removes all federal veterans' educational benefits from estimated financial assistance. This includes benefits under Chapters 30, 31, 32, 33 and 35, and it also includes the Yellow Ribbon Program. If a student receives 100 percent tuition and fee payments under Chapter 33, that will not be included as estimated financial assistance. Excluding the tuition and fee component from the cost of attendance has the same effect as counting the benefits as estimated financial assistance, and because the law specifically excludes these benefits from estimated financial assistance, you cannot exclude tuition and fees from the cost of attendance.

Okay, this next question is on dual enrollment and refers to a student who is enrolled in high school and postsecondary school at the same time. I understood that a student attending high school and college at the same time was not eligible for aid. Does the HEOA change that?

Well, the HEOA only changes the institutional eligibility provisions so that a student enrolled in high school may be admitted as a regular student at your institution and not jeopardize your institution's Title IV eligibility. The HEOA did not change the provision that makes a high school student ineligible for Title IV aid. That duly enrolled student is not and will not be Title IV eligible.

Now to ability to benefit -- the HEOA added a new provision that allows eligibility for ATB based on completion of six hours. Is this semester hours or the equivalent? And may the students still be admitted on the basis of passing an approved ATB test without being required to take six hours without financial aid eligibility?

Well, the answer is yes to the first part of that. It is an equivalent, so it is six quarter, six semester or trimester credit hours, or 225 clock hours of a degree or certificate-eligible coursework. And those hours must apply to the eligible program that the student is enrolled in. And the second part of that is also yes. The six credit provision is a new way for students to qualify for Title IV when they do not have a high school diploma or the equivalent. The other ATB provisions remain

unchanged, so that a student who is beyond the age of compulsory school attendance and passes an ATB test may receive Title IV funds.

Okay, this next question refers to the IRS match. It says, the HEOA gives the Secretary authority to receive data from the IRS. Does this mean that the IRS match will actually be in effect as of July 1, 2010?

Well, at this time there is no specific date on which a match will be in effect. We continue to work with the Internal Revenue Service on a method and timing of database match, and until such a match is in place we cannot provide you with any specifics.

Okay, and this next question refers to accrediting agency requirement related to distance education. The HEOA requires accrediting agencies to require institutions that offer distance education to have processes to establish that the student who registers for a distance education or correspondence course or program is the same student who participates in and completes the program and receives the academic credit. How can we comply with this requirement?

Well, our response is only that the Department expects that accrediting agencies will work with schools to establish some good practices regarding distance education, and we don't have any additional guidance to add to this.

Okay, now, this next one is a long one, and it does quote some information that was provided in the 2008-'09 Counselor's Handbook. The 2008-2009 Counselor's Handbook, page 36, states the following: "If someone other than the student, the student's spouse, or the student's parents filled out the FAFSA, they must complete the questions that ask for information about a preparer. High school counselors, TRIO counselors and others who help students with their FAFSAs by actually completing line items or dictating responses are considered preparers. Preparers must complete the appropriate section of the FAFSA even if they are not paid for their services." Then the HEOA section 483d seems to imply that unless the helper is being paid to help he needn't sign as the preparer. Is that so? And does this apply to financial aid counselors or other school employees who help students complete the FAFSA? Must they sign as preparers?

Well, the HEOA changed the requirements for FAFSA preparers, so what is in the '08-'09 information is no longer correct. In the 2009-'10 Application and Verification Guide currently on IFAP, it states that only persons who are paid a fee to help the student fill out the application are considered preparers. Those who advise students without charging a fee, such as a high school counselor and FAA, are not preparers. A preparer must include his name, company's name, if applicable, his address or the company address, and either his Social Security number or the company employer identification number, and that's the EIN that is assigned by the IRS to the company. With the paper FAFSA, the preparer must also sign and date the form.

Okay, and I'm going to turn this back over to Jamie at this point.

Jamie Malone:  Thanks, Linda.

Now we're going to talk about consumer information. The question says, please update us on the status of the new disclosure requirements. And I realize that there are a lot of them in the HEOA. Do they need to be all in one place on the school's website, under, say, a section called "Federal Disclosures"?

Well, we really have not specified where or how the new consumer information must be disclosed. Most of you currently provide the information either on your website or in your catalog, and we expect that the new disclosures will be done in the same manner. And, no, there is not a requirement that you create a federal disclosures section of your website. Please make sure that you look at the upcoming proposed rules for additional guidance regarding consumer information. And also in Dear Colleague Letter GEN-08-12, we give an in-depth explanation of the new consumer information requirements, and it begins on Page 95.

Again with consumer information, can you talk more about disaggregation of completion and graduation rate data, especially related to the receipt of Pell, loans, and nonfederal aid? No one is talking about this and I think it is going to be difficult on many campuses because it may involve more than one office.

The first thing is that we rely on you, the financial aid administrator, to be our voice on your campus, to make sure that all other offices and departments are aware of what the requirements are. So we have to ask you to spread the word. This -- in the HEOA, it does require that schools take the completion and graduation rate data that you are already compiling and disaggregate it. It must be disaggregated or separated by gender, by race and by ethnicity and into three categories: Pell Grant recipients, subsidized loan recipients who did not receive a Pell Grant, and students who received no Pell or subsidized loan funds. For more information, please look again at Dear Colleague Letter GEN-08-12 on Page 96. At this time, this is all the guidance that we can give.

The HEOA requires that schools have a missing person policy. And the question says, can we operationalize how a student is determined to be missing that allows for normal behavior? For example, staying at another person's room, going home for the weekend or staying off campus. Must we ensure that everyone is accounted for in their dorms every night?

True, the HEOA does require that if your school provides on-campus housing you develop a missing persons notification policy. But we do not understand that to mean that each student must be in his or her dorm every night. Each school must establish its own procedures for identification of a missing person, including under what conditions a student is considered missing. Each school must also establish procedures to ensure that the proper notifications are made. It is up to each school to make sure that the policy is consistent with the intent of the law.

Disclosure of textbook information -- please explain the HEOA provision requiring that schools post textbooks and prices on the internet. If our schedule is not on the internet and we don't have any online classes, do we still have to post the textbooks?

The answer to that is yes. Schools must comply with the disclosure and notification requirements even if you don't have a website. You must make sure that your students do have this information. And this is one subject that we will not be issuing regulations on.

More consumer information regarding copyrighted material -- we received several questions about disclosure of information related to copyrighted material. It says the school must certify that it has developed plans to effectively combat the unauthorized distribution of copyrighted material and offer alternatives to illegal downloading or peer-to-peer distribution of intellectual property, and also a school must have technology-based deterrents in place. And this individual wanted additional guidance.

The HEOA did add this as part of the Program Participation Agreement. So when your school signs the Program Participation Agreement, there is a certification that plans have been developed to combat the unauthorized distribution of copyrighted material and also that your school is offering those alternatives to illegal downloading or peer-to-peer distribution. This is a topic in our ongoing negotiated rulemaking sessions. And we wanted to point out to you that there is a draft issue paper available on IFAP that will provide you with a summary of the discussions related to this. Until those regulations are issued, no further guidance is available.

Reporting requirements -- this question talks about the information that the Secretary must make available on the College Navigator website. He says it is an extensive list of information about Title IV participating institutions that has to be made available not later than August 14, 2009. How will schools be required to submit this information to ED, and what is the timeline for schools to submit the information to ED?

Again, lots of questions about this, and a major concern seems to be the information that we must post to the College Navigator website. It is an extensive list of information. It includes things like your school's mission, a breakdown of your students by gender, race, ethnicity and disability, information on transfer credits, completion rates, pricing information, student/faculty ratios, campus safety and placement services. At this time, we have not worked out the details of the reporting mechanism. We anticipate that IPEDS will be used to provide us at least with some of this information. And as the details are worked out we will make sure that you have them. The questioner suggested the idea that we develop a chart for all of these requirements, and we like that idea, so we're going to look at that possibility.

The college affordability lists -- can you help me understand what years will be compared for the college affordability watch lists? For example, will Fall 2010 be compared against Fall 2009?

The HEOA does require that the Secretary make these so-called watch lists available beginning July 1, 2011. The law doesn't call them watch lists, but it does require that we post four lists that provide the names of the schools with the highest and lowest tuition and fees and the highest and lowest net price for the most recent academic year, and then it calls for two lists that show schools that have the largest percentage increase in tuition and fees and net price for the three most recent academic years. Depending on the availability of data, the most recent academic year in July 2011 would either be 2009-'10 or 2010-'11.

I want to learn more about the online tuition calculator that IPEDS is creating.

Reauthorization does require that the Department create two online calculators. Both must be posted to the College Navigator website by August 2010.

The first is a net price calculator. The law defines net price as the average yearly price actually charged to first-time, full-time undergraduate students receiving aid after the aid is deducted. It is calculated by taking the difference between the cost of attendance and the average amount of need, merit-based grant aid received from federal, state and institutional sources, so that would be per student for one year.

The second one is a multiyear tuition calculator, which will allow a family to select a school and calculate an estimate of the tuition and fees for the normal duration of the program of study at that school. This calculator will use the tuition and fees reported by the school and an estimate of the annual percentage change for each year.

The 90/10 calculation -- in the 90/10 calculation, how do we apply Title IV credit balances, when the credit balances have partially been derived by the disbursement of the additional $2,000 in unsubsidized loans?

The 90/10 calculation is required for proprietary institutions as part of financial responsibility. If the amount of grant funds for the student from “Funds Applied First” and student Title IV revenue, is more than tuition and fees, then the student Title IV revenue is reduced by the amount over tuition and fees. This is reflected in the adjusted student Title IV revenue used in both the numerator and the denominator of the 90/10 calculation. In this way, the calculation accounts for Title IV credit balances.

Unsubsidized loans that are over the pre-ECASLA limit, which is the $2,000 referred to in the question, do not affect the adjusted student Title IV revenue, but rather are reflected in student non-Title IV revenue. These loans and any student payments count as non-Title IV revenue only for the amount needed to cover tuition and fees that are not paid from “Funds Applied First” and student Title IV revenue.

Okay, now I'm going to turn it over to Greg, and he is going to talk to us about the campus-based programs.

Greg Martin:  Thanks, Jamie.

As a result of the HEOA, the allocation formula for campus-based programs for books and supplies was increased from $450 to $600. Is this an automatic update or do schools have to physically update their systems?

Well, this is really done automatically. The allocation is built into the formula that we use to determine the school's campus-based allocation, and that is a statutory formula, and this update will take place automatically to that formula. There's nothing required of schools.

Next we have a question regarding the campus-based transfer provisions, and we are asked to please explain the new transfer provisions in the campus-based programs. Is the part about FSEOG transfer to FWS new?

Well, effective with the date of enactment, the HEOA allows institutions to transfer up to 25 percent of their FSEOG allocation to their FWS fund, and, yes, that is new. Remember that a transfer of FSEOG funds has never been permitted before. The law also allows an institution to transfer up to 25 percent of its FWS allocation to Perkins Loan funds. Remember that any funds transferred are considered federal funds and must be matched with the percent that's required by the program into which the funds are transferred.

Prior to this, institutions have been allowed to transfer up to 25 percent of FWS allocation to FSEOG. This is not going to change, or, rather hasn't changed. Also, the transfer of up to 25 percent of Perkins to either or both FWS and FSEOG also remains in place. But remember that you cannot transfer any more than a total of 25 percent of a given federal allocation.

Next we received a question about Perkins Loan death cancellation. Can NSLDS be used to verify a borrower's death for cancellation of a Perkins Loan?

No, NSLDS may not be used to verify a borrower's death. The discharge may only be granted with receipt of an original or certified copy of a death certificate. There is one exception permitted, and this is on a case-by-case basis, under exceptional circumstances, that permits a discharge by the chief financial officer of the institution, based upon other reliable documentation supporting the discharge request.

Does the HEOA change the requirements for administration of the Perkins Loan Program for educational institutions?

There is no change to the administration of the Perkins Loan Program in the HEOA. There is a budget reconciliation bill that proposes major changes in how the Perkins program is administered. There is no guidance we can provide until that becomes law. We really do not know what will happen or if that will happen.

Okay, we're going to move on to a discussion of FFEL and Direct Loan, starting with the Truth In Lending Act. On March 24, 2009, the Truth In Lending Act NPRM was published and proposes that Saturday will no longer be excluded from the definition of business day. Will this result in a change to our current cash management disbursement rules?

The Federal Reserve Board issued the Truth In Lending NPRM. That agency has authority over the Truth In Lending Act. The Department of Education issues Title IV cash management regulations. Truth In Lending does not impact our cash management regulations. For cash management purposes, when we refer to business days we mean Monday through Friday, excluding federal holidays.

Next we have a discussion of private education loan certification, and we're asked, regarding student self-certification for private educational loans -- this is a three-part question -- the first

part is at what point will the school be notified that a student has secured a loan in order to adjust their overall financial aid? Will private lenders still be allowed to send a school certification request like they do now and will schools still be able to submit a school certification, especially electronically via commonline batch files? And, finally, if a student and a school each submit a certification and they happen to be for different amounts, which certification will the lender have to accept?

Well, regarding the first question, the HEOA does not require that a private education loan maker notify the school that the student has applied for or received a loan. Some lenders may choose to provide you with that notification. And regarding whether private lenders will still be allowed to send a certification request, these regulations would have -- these requirements, rather, would have no impact on any current process you have in place.

And as far as if the student and the school each submit a certification and they happen to be for different amounts, what will happen? Well, just as an overall discussion of this issue of the certifications for private loans, it will be required that the lender have this certification from the student in order to make the loan. Now, the student will obtain or request this certification form from the institution, and the institution will provide this for the student -- to the student, rather.

It is important to understand what the theory behind this is. It is basically so that the student knows or is aware of the fact that there is federal aid available that could be used in lieu of this private education loan the student is seeking to take out. As regards the current practices that lenders have in place with schools, that's all well and good if they have some process currently in place, but that will not obviate the requirement for the private certification, loan certification. That's an HEOA requirement and will be in place.

As far as whether or not or in the event where there is a disparity in what's contained in some process the school has with the lender, and what's contained on the private education loan certification, it's not necessarily conflicting information. We don't prohibit the student from borrowing more than he or she needs from the private source. All we would require is that the school adjust federal aid accordingly, because that private aid would be a resource. If there is a different amount, the student and the lender need to come to some understanding as to what the amount of the loan will be. Okay?

Next we were asked, are state loan programs -- and there are some examples given here, or that is, rather, Minnesota SELF and North Dakota DEAL -- are they considered private loans? Do we need to have them listed on a preferred lender list?

The definition of an education loan is a loan provided by an educational lender that is not a Title IV loan and issued expressly for the postsecondary education expenses of the borrower, regardless of whether the loan is provided through the school that the student attends or directly to the borrower from a private education lender. A state loan program meets this definition, so it would be treated as any other private education loan.

And as far as the question goes, if these loans are packaged and offered by the school, should they be treated as a preferred lender arrangement and are they subject to the preferred lender list

requirements? Well, unfortunately, at this time we really can't answer that question. We don't have guidance on that. We are considering it, and we thank you for bringing it to our attention.

Continuing with preferred lender lists, may we refer potential student borrowers to a website such as Simple Tuition and consider that a neutral list, thus not subject to preferred lender list requirements?

This would be acceptable only if the website contained all the lenders that have made loans to students at your school. If any lenders who made loans to your students are not on the list, then that would considered a preferred lender list.

And finally, we have a discussion here of total and permanent disability. Changes to the total and permanent disability provisions for Perkins and FFEL have different effective dates. FFEL's effective date is July 1, 2010 and Perkins is July 1, 2008. Another provision is August 14, 2008. Can you explain how this will be implemented?

This provision is subject to regulation, so it will not be implemented until regulations have been issued. It is expected that it will have the same effective date as FFEL and Direct Loan, which is July 1, 2010. The provision that provides for the immediate discharge based on VA determination of permanent disability is effective date of enactment, that being August 14 of 2008, and we are still working with the VA to determine what documentation will be acceptable to meet this condition.

Okay, I'm now going to turn it over to Linda Burkhardt to finish up.

Linda Burkhardt: Okay, thanks, Greg.

So let's move on to military loan cancellation, and a person asked, how do borrowers transition from the 12.5 percent per year military cancellation to the 15/15/20/20/30 percent cancellation for Perkins Loans? If the borrower received two cancellations at 12.5 percent under the previous rule, what would be the third year benefit and beyond?

Well, this change does not affect the cancellation benefits that were provided under the previous rules, so for any full year -- but -- I should say but for any full year of active duty service that includes the effective date of August 14, 2008, the new benefit percentage will apply. So if we've got a borrower who has had two years canceled under the previous 12.5 percent provision and whose third year of cancellation -- for cancellation purposes includes August 14 of 2008, that person will be eligible to have 20 percent canceled for year three, 20 percent for year four and 30 percent for year five. That person would have received five years of cancellation benefits, with a total of 95 percent of the loan canceled. And the maximum benefit period is five years, so in some cases the individual will not get a full 100 percent of that loan canceled.

Okay, regarding entrance counseling and the new information that needs to be included, first, is the school responsible for making this information available to previous borrowers?

Well, the HEOA provisions related to entrance counseling were effective August 14 of 2008, and the specific additions to entrance counseling should have been made during the '08-'09 award year. There is no requirement that the new information be provided to students who have already completed the entrance counseling requirement. So the answer to that first question is no, it's not -- you're not required to provide that to previous borrowers.

For question two, does this include graduates, or just students currently in school?

And the answer is that this provision would apply only to those students who must receive entrance counseling on or after August 14 of 2008.

Now, for Direct Loan exit counseling, the question came in, it says the HEOA includes changes to information provided to students during the exit interview. Will ED provide a sample exit interview that includes all of the changes for the Direct Loan Program?

Well, we've said that Direct Loan schools may continue to use the entrance and exit counseling information that is available on the Direct Loan website. This provision is subject to regulation, and the Department is advising Direct Loan participating institutions to take no action until we have regulations. We do expect to issue an NPRM this summer, with final regulations published no later than November 1 of 2009. We do anticipate that the new disclosures will be wrapped into current processes such as the Direct Loan website, as well as disclosures sent to borrowers prior to disbursement.

Okay, we did have a number of questions about the new unsubsidized loan eligibility. So regarding that, this is being called professional judgment, but everything seems to indicate the ISIR is left rejected and assumed to have an EFC of 99,999. Is that correct? Does the school leave the ISIR rejected?

Well, remember, this whole provision is that the HEOA gives the aid administrator the professional judgment authority to award an unsubsidized loan to a dependent student whose parents refuse to complete the FAFSA and have ended all financial support for that student. Now, a dependent student's FAFSA completed without parental information will be rejected, so this results in a rejected SAR for the student and a rejected ISIR to the school.

However, we do require that the student fill out the FAFSA, this so that the CPS will conduct the eligibility database matches to ensure that that student meets the basic eligibility requirements. And a school must review that rejected ISIR to ensure that all of the database matches have been successful. If so, then no other action related to the ISIR is required. The school may process the unsubsidized loan with that rejected ISIR. And remember that unsubsidized loans funds are not need based, so no EFC is required.

Another question -- what if a student who has been awarded the unsubsidized Stafford under professional judgment authority wants to add parental information later in the year? Is the school required to reprocess?

Well, the answer is that at the point you receive the parental information on the FAFSA, the student's eligibility under that condition would end. Using the calculated EFC, the school would need to determine the student's eligibility for aid, including any previously disbursed unsubsidized Stafford Loans, and that would be included as estimated financial assistance. Any unsubsidized amounts already received may be used to replace the EFC in any determination of the student's eligibility using that parental information. But we would not ask you to go back and determine any portion of that as ineligible.

Another one with regard to unsubsidized loan eligibility, and this is actually the final question of the webinar, if the custodial parent completes the FAFSA and the noncustodial parent applies for a PLUS Loan and is denied, is the student eligible for the additional $4,000 unsubsidized loan, and must the custodial parent also be denied?

Well, remember that a PLUS denial is required for a dependent student to borrow the additional unsubsidized loan funds available to an independent student. The denial of the noncustodial parent is sufficient for the student to be eligible for the additional unsubsidized loan. However, if the custodial parent also applies and is approved, the student is no longer eligible for the additional amount. Just as one denial allows the additional funds, one approval makes the student ineligible for those additional funds because the parent may borrow a PLUS loan.

And that was the last question, and I would like to thank everyone for attending. We appreciate the time you took to send in the questions. We hope you have found this beneficial in your administration for the upcoming year. Please don't stop -- as Jamie mentioned earlier, continue to send in those questions to us. We learn from the questions as much as you learn from the answers.

We're going to be putting up a survey slide here, and the survey slide will, if you just click on the link that's in that survey slide, it should take you directly to the website to give us your opinions about the effectiveness of the Town Hall Meeting today.

Also, just one final little note, I would like to remind everybody, we mentioned this several times during the webinar, that we will be issuing notices of proposed rulemaking based on the negotiated rulemaking sessions that we recently concluded. We expect those to come out sometime later this summer. Do take a look at those, because they will help you answer some of those questions that we really were unable to answer.

We expect that after a comment period, we will publish final regulations no later than November 1 of 2009. And, again, remember that once those are published, the effective date for those final regulations will be July 1 of 2010, although there may be some provisions in the regulations that the Secretary will allow early implementation on. So you need to be just aware of the fact that those are coming and to watch for the guidance that's included there.

And at this, I'd just like to again say thank you and close the webinar.